



# **Public relations' role in building strong brands**

Case: Minna, Hanna Sarén & Minna Parikka

Clara Sandell

Degree Thesis  
International business  
2012

EXAMENSARBETE	
Arcada	
Utbildningsprogram:	International business
Identifikationsnummer:	10606
Författare:	Clara Sandell
Arbetets namn:	PR:s roll i byggandet av starka varumärken Case: Minna, Hanna Sarén & Minna Parikka
Handledare (Arcada):	Sveinn Eldon
Uppdragsgivare:	Pirjo Suhonen, Ivana Helsinki
<p>Sammandrag:</p> <p>Detta slutarbete handlar om PR:s roll i byggandet av starka varumärken. Syftet med detta arbete är att ta reda på PR:s betydelse som marknadsföringsredskap när man bygger ett varumärke och att få veta hur väl finska företag använder sig av PR. Slutarbetet kommer inte bara att diskutera hur viktigt PR byråer är för företag, utan också vad PR byråernas roll är i att stärka deras kunders varumärken och hur bra de fullgör sina kunders behov. Teoridelen visar att reklam fortfarande är den vanligaste formen av massmarknadsförings teknik, även om den något förlorat sitt syfte. PR kan ha en stark inverkan på allmänhetens medvetenhet till ett mycket lägre pris än reklam kan, på grund av sin trovärdighet. Även om PR fortfarande endast tar en liten del av de flesta företags marknadsförings budgeter, är PR erkänt som ett allt mer kraftigt redskap inom varumärkesbyggande. De använda referenserna är huvudsakligen läroböcker. I den empiriska delen av arbetet valdes intervjuer som medel att samla in information. Författaren intervjuade tre finska design företag om hur de har implementerat PR i deras marknadsföringsstrategi. Resultaten visade att alla tre företag använder sig av PR till att bygga sina varumärken och att PR har varit en del av orsaken till deras snabbväxta framgång. För att avsluta detta arbete, anger författaren vikten av PR för företag som planerar att bygga ett nytt varumärke eller uppehålla intresset av ett existerande företag.</p>	
Nyckelord:	Varumärkesbyggande, PR, Minna, Hanna Sarén & Minna Parikka
Sidantal:	50
Språk:	Engelska
Datum för godkännande:	3.10.2012

DEGREE THESIS	
Arcada	
Degree Programme:	International business
Identification number:	10606
Author:	Clara Sandell
Title:	Public relations' role in building strong brands Case: Minna, Hanna Sarén & Minna Parikka
Supervisor (Arcada):	Sveinn Eldon
Commissioned by:	Pirjo Suhonen at Ivana Helsinki
<p>Abstract:</p> <p>This thesis work is about public relations' role in building strong brands. The aim of this thesis is to explore the meaning of public relations as a marketing tool when building a brand and to find out how well Finnish companies are using PR. The thesis will not only discuss the importance of PR agencies for companies, but also what the PR agencies' roles are in strengthening brands and how well they are fulfilling their customers' needs. The literature review shows that advertising is still the most common mass-promotion technique, even though it has slightly lost its purpose. Public relations can have a strong impact on public awareness at a much lower cost than advertising can, because of its trustworthiness. Even though public relations still only captures a small portion of most companies' marketing budgets, PR is recognized as a more and more powerful brand-building tool. The references used in this study are mainly textbooks. For the empirical part, interviews were chosen to gather information. The author performed interviews with three Finnish design companies about how they are implementing PR in their marketing strategy. The results showed that all three companies use public relations to build their brand and that PR has been part of their rapid success. To conclude the thesis work, the author states the importance of PR for companies planning to build a new brand or maintaining the interest of an existing one.</p>	
Keywords:	Brand-building, public relations, Minna, Hanna Sarén, Minna Parikka
Number of pages:	50
Language:	English
Date of acceptance:	3.10.2012

# CONTENTS

<b>1</b>	<b>introduction.....</b>	<b>8</b>
1.1	Aim and research question .....	8
1.2	Methodology and sources .....	9
1.3	Structure of the thesis .....	10
1.4	Limitations.....	10
1.5	Definitions .....	10
<b>2</b>	<b>BUILDING STRONG BRANDS .....</b>	<b>12</b>
2.1	Brand concept.....	12
2.2	Brand identity .....	13
2.3	Brand personality .....	13
2.3.1	<i>Measuring Brand Personality</i> .....	14
2.3.2	<i>Why use Brand Personality?</i> .....	15
2.4	Brand image.....	15
2.5	Brand equity .....	16
2.5.1	<i>Brand awareness</i> .....	17
2.5.2	<i>Perceived quality</i> .....	18
2.5.3	<i>Brand loyalty</i> .....	18
2.5.4	<i>Brand associations</i> .....	19
2.6	Brand value .....	19
<b>3</b>	<b>THE FALL OF ADVERTISING AND THE RISE OF PR .....</b>	<b>20</b>
3.1	Promotion.....	20
3.1.1	<i>Advertising</i> .....	20
3.1.2	<i>Public relations</i> .....	21
3.1.3	<i>Social media</i> .....	21
3.2	The fall of advertising.....	22
3.2.1	<i>Credibility</i> .....	23
3.2.2	<i>Creativity</i> .....	23
3.2.3	<i>Perceptions</i> .....	24
3.2.4	<i>Maintaining the brand</i> .....	24
3.2.5	<i>Evaluating advertising</i> .....	24
3.3	The rise of PR .....	25
3.3.1	<i>The power of a third party</i> .....	25
3.3.2	<i>Brand-building through PR</i> .....	26
3.3.3	<i>Disadvantages of PR</i> .....	26
3.3.4	<i>Measuring PR results</i> .....	27

3.4	The differences between advertising and PR .....	27
<b>4</b>	<b>HOW FINNISH DESIGN BRANDS USE PUBLIC RELATIONS IN BUILDING STRONG BRANDS .....</b>	<b>29</b>
4.1	Minna .....	29
4.1.1	<i>The significance of PR for the company .....</i>	<i>30</i>
4.1.2	<i>Building brands with PR .....</i>	<i>30</i>
4.1.3	<i>Global markets .....</i>	<i>31</i>
4.1.4	<i>Advertising's role in the company .....</i>	<i>31</i>
4.1.5	<i>The importance of PR in the future .....</i>	<i>32</i>
4.2	Hanna Sarén .....	32
4.2.1	<i>Reasons for using PR .....</i>	<i>33</i>
4.2.2	<i>The importance of PR .....</i>	<i>33</i>
4.2.3	<i>PR in the fashion industry .....</i>	<i>34</i>
4.2.4	<i>Advertising as a marketing tool .....</i>	<i>34</i>
4.2.5	<i>Using PR to its full potential .....</i>	<i>35</i>
4.3	Minna Parikka .....	35
4.3.1	<i>Benefits from using public relations .....</i>	<i>35</i>
4.3.2	<i>PR's impact on sales and brand awareness .....</i>	<i>36</i>
4.3.3	<i>Covering your market with PR .....</i>	<i>36</i>
4.3.4	<i>Advertising's role in the marketing strategy .....</i>	<i>37</i>
4.3.5	<i>The significance of PR in the future .....</i>	<i>38</i>
4.4	Promode .....	38
4.4.1	<i>Reasons for why companies use PR .....</i>	<i>39</i>
4.4.2	<i>PR's role in building strong brands .....</i>	<i>39</i>
4.4.3	<i>Caring for your company's image .....</i>	<i>40</i>
<b>5</b>	<b>DISCUSSION .....</b>	<b>41</b>
5.1	Reasons for using PR firms .....	41
5.2	Building brands with public relations .....	42
5.3	Global markets .....	43
5.4	Advertising's role in the company .....	44
5.5	Using PR to its full potential now and in the future .....	45
5.6	Concluding the discussion .....	45
<b>6</b>	<b>CONCLUSION .....</b>	<b>46</b>
	<b>References .....</b>	<b>48</b>
	<b>Appendices .....</b>	<b>1</b>

Appendix 1 The list of interview questions for the representatives of the different Finnish design companies. ....	1
Appendix 2 The list of interview questions for the representative of the PR agency.....	3

**Figures**

Figure 1. The Big Five of Jennifer Aaker (Keller 2003:447)..... 14

Figure 2. How Brand Equity Generates Value (Aaker 2010:9) ..... 17

Figure 3. The social media network (Newman 2011) ..... 22

# **1 INTRODUCTION**

This thesis studies PR's role in building brands and three Finnish design companies' use of public relations to strengthen their brands. In recent years, companies have seen the increasing importance of public relations as a way to market their brand in a more effective way than the traditional marketing methods like advertising. This thesis looks further into how public relations professionals strengthen their customer brands by using different public relations tools as well as why these companies choose public relations as a way of achieving increased customer awareness.

The findings of this thesis work will not only concern the companies that took part in the empirical study but also other companies that are interested in implementing public relations into their marketing strategy. For companies with no former knowledge or experience of public relations, this thesis will provide a guideline to apply public relations in the brand building efforts of their company. Furthermore, the thesis presents guidelines on building strong brands in general.

The author holds a personal interest in public relations and is pleased to have had the opportunity to work in this field during her internship, thus she wanted to investigate this subject further. Since then the author has also had the chance to work as a PR assistant, which has broadened her knowledge further in this field. Public relations is something the author would like to pursue her career with, therefore this study will be highly beneficial for her regarding her future career path.

## **1.1 Aim and research question**

The aim of this thesis is to explore the meaning of public relations as a marketing tool, when building a brand. The thesis will not only discuss the importance of public relations for companies, but also what PR agencies' roles are in strengthening brands and how well they fulfil their customers' needs as a brand-building tool. Additionally, the author will discuss the rise of public relations and compare it to advertising, in how well they succeed in building strong brands.



The research questions that will be used in this thesis work are:

- What is public relations' role in building strong brands?
- How well are companies implementing PR in their marketing strategy?

The author will investigate in how public relations contribute in the building of strong brands. Furthermore, the author will investigate how well companies use PR as a part of their marketing strategy. The Finnish design brands Minna, Hanna Sarén and Minna Parikka will be used as examples and an analysis is conducted on how well these companies' PR agencies or PR managers within the company satisfy and help build the brand further. In the end of this study, companies will get the information needed to decide whether public relations is the solution for them.

## **1.2 Methodology and sources**

There are numerous articles and books written about public relations as a mass-promotion technique. This study examines several prior studies concerning the topic, in order to provide context for the research problems and get the results requested. The theory gathered is mainly about the building of strong brands and the rise of public relations as a marketing tool. The author is additionally viewing and referencing information and theory gathered from different sources, giving an overall picture of the role of PR in building strong brands. The author had no problem gathering information about this subject and thinks it is relevant for the study to address the information gathered from these different sources in order to come to a valid conclusion.

For the empirical part of the study, qualitative research methods were chosen. According to the author, interviews with the persons in charge of PR in the case companies, was the most efficient way to gather the information needed and get deeper and competent answers in order to come to a relevant conclusion. Semi-structured interviews were held with the case companies' PR executives. In addition, a public relations' professional was interviewed to get further information from PR agencies' point of view.

### **1.3 Structure of the thesis**

The thesis begins with the introduction, giving background information about the subject. This part also includes definitions, the aim and research question of the study, the methodology and sources used as well as the limitations of the study. The literature review is divided into two sections. The first section is named building strong brands, which evaluates how strong brands are built successfully. The second section is named the fall of advertising and the rise of PR. Here the author points out how advertising's role in building a brand has decreased over time, while the role of public relations is increasing. The empirical part of the study investigates how three Finnish design brands use PR to build their brand. Additionally, a PR professional is interviewed to give the study more depth. This part of the study also includes a discussion, where the key findings of the study are evaluated and discussed. The fourth and last part of this thesis work is the conclusion, where the author gives an overview of the study and recommendations for further studies of the subject. The interview questions can be found as appendices.

### **1.4 Limitations**

In this study there are some limitations due to the sample of interviewees chosen to make a conclusion of the subject. Interviews are conducted with only one public relations professional, which limits the generalization of the findings. Another limitation to the study is the fact that the research is only investigating three companies in the fashion industry in Finland. Companies within different industry sectors may feel differently about the importance of PR. The case companies are all mid-sized companies, which also limits the findings. Larger companies may have bigger budgets to spend, which affects their marketing strategy. Quite small companies, on the other hand, may not have the resources to implement any marketing strategies.

### **1.5 Definitions**

According to Kotler et al. (2005), public relations is defined as:

...building good relations with the company's various publics by obtaining favourable publicity, building up a good 'corporate image', and handling or heading off unfavourable rumours, stories and events. Major PR tools include press relations, product publicity, corporate communications, lobbying and counselling. (Kotler et al. 2005:719)

Public relations (PR) is a way for companies, organizations or people to enhance their reputations. Public relations professionals, or PR firms on behalf of their clients, typically perform this task. PR usually involves communicating with the media and presenting the clients in the most favorable way possible through the media. It also often involves cooperative efforts with other people and organizations to create goodwill within the community and enhancing the client's image. (WiseGeek 2012)

## **2 BUILDING STRONG BRANDS**

It is not easy to build brands in today's environment as industries become more and more hostile in a competitive sense, further emphasizing the needs of strong brand-building skills to survive. (Aaker 2010:26) Consumers view a brand as an important part of a product that adds value to the product. Branding has become such a fundamental factor of consumer behavior that hardly anything in today's society goes unbranded. Brands are viewed as the major enduring asset of a company, and must thus be developed and managed carefully. (Kotler et al. 2005:549-555) The power of a brand thus lies in what endures in the minds of customers. Therefore, the challenge for marketers in building a strong brand is making sure customers have the right type of experiences with the product or service and in developing their marketing program so that the desired perceptions, feelings, beliefs and opinions become linked to the brand. (Keller 2003:59)

### **2.1 Brand concept**

The concept of branding has been in existence for hundreds of years, ever since the times when early cattle-rearing men stamped their symbols of ownership on their livestock by burning a mark of their name or symbol on the cattle to distinguish ownership, "branding" the flesh of their cattle. Today a brand has evolved to elaborate marketing strategies and development. A brand symbolizes a guarantee and credibility that assures the consumer that the product will deliver its promise. (Okonkwo 2007:9)

Branding is not about getting your consumer to choose you over the competition. It's about getting them to see you as the only solution. (L. Aldisert, cited in Okonkwo 2007:102)

A brand is an identifiable entity that makes promises of value and results in an overall experience for the customer. A company's brand resides in the mind of consumers and the success and failure of a brand depends therefore on its relative position compared to substitutes in the minds of consumers. The rewards of branding are overwhelming, but the process of building a successful brand is long, tedious and expensive, with much dedication required. (Okonkwo 2007:102-103) The brand concept is the overall idea behind the creation of a brand and has to be compelling and appealing to anyone that

comes in contact with the brand. It is the root from which the brand grows and should therefore be solid, because some aspects of branding strategy might change in time but the brand concept remains the same. (Okonkwo 2007:107-110)

## **2.2 Brand identity**

The brand identity is developed after the brand concept has been established and describes who the brand truly is and how consumers perceive the brand. The brand identity additionally comprises of the brand image and the brand personality. (Okonkwo 2007:110) Brand identity is a unique set of brand associations that the brand strategist aspires to create or maintain in the consumer's mind. These associations represent what the brand stands for and imply a promise to customers from the organization members. A brand identity provides direction, purpose and meaning for the brand. (Aaker 2010:68) All companies need brand identities. Across all industry sectors competition for market share is increasing, so all sized businesses need to be proactive in promoting what unique value they have to offer their customers. (Marshall)

## **2.3 Brand personality**

A brand personality can be defined as the set of human traits or characteristics associated with a specific brand name. The characteristics of a brand personality can be described by demographics, lifestyle or human personality traits, such as for example age, gender, activities, opinions and agreeableness. (Aaker 2010:141-142) The brand personality is who the brand has decided to be, how the brand views itself and ultimately how it wants to be viewed by others. The personality of a brand is crucial for accurate positioning in the consumers' minds and should therefore be clear and consistent. It is important for the brand personality to be memorable and affirmative and distinguished from its competitors, otherwise consumers are left confused, guessing and driven to seek alternatives. (Okonkwo 2007:110-111)

### 2.3.1 Measuring Brand Personality

Brand personality can be measured in different ways, the simplest and most direct way being open-ended responses to questions like:

If the brand were to come alive as a person, what would it be like? What would it do? Where would it live? What would it wear? Who would it talk to if it went to a party (and what would it talk about)? (Keller 2003:444)

There are also other ways of measuring brand personality. Stanford's Jennifer Aaker conducted a research project that provides an interesting glimpse into the personality of a number of well-known brands. (Keller 2003:447) The Brand Personality Scale (BPS) measure and structure brand personality. The five personality factors (The Big Five) are sincerity, excitement, competence, sophistication and ruggedness. A brand can, like a person, have a complex personality and therefore belong to more than one of the Big Five personality factors. (Aaker 2010:142-143)

<i>Sincerity</i>	<i>Down-to-earth, honest, wholesome, and cheerful</i>
<i>Excitement</i>	<i>Daring, imaginative, and up-to-date</i>
<i>Competence</i>	<i>Reliable, intelligent, and successful</i>
<i>Sophistication</i>	<i>Upper class and charming</i>
<i>Ruggedness</i>	<i>Outdoorsy and tough</i>

Figure 1. The Big Five of Jennifer Aaker (Keller 2003:447)

### **2.3.2 Why use Brand Personality?**

Brand personalities give consumers something to which they can relate that eventually increases brand awareness and popularity. (Business Dictionary 2012) There are three ways in which a brand can create brand equity.

The first way is the self-expression model, where for certain groups of customers brands become vehicles to express a part of their self-identity. The purchase and use of a branded product helps people express a person's personality and lifestyle. In order to be effective, the brand personality needs to be important and desirable enough to matter to the person using the brand. (Aaker 2010:153-158)

The second way, in which a brand can create brand equity, is using the relationship basis model. Some people may never aspire to have the personality of a competent leader but would on the other hand like to have a relationship with one. As you have different relationships with different people, you also have different relationships with brands. There is the down-to-earth, family orientated and genuine brand relationship, the spirited, young and outgoing brand relationship, the accomplished and influential brand relationship, the pretentious and wealthy brand relationship as well as the athletic and outdoorsy relationship. (Aaker 2010:159-160)

The third way is the functional benefit representation model. Here brand personality plays a more indirect role by being a vehicle for representing and cueing functional benefits and brand attributes. A country or region of origin can add credibility to an identity and also generate a strong personality. (Aaker 2010:168-169)

## **2.4 Brand image**

The brand image is how the brand is seen by the people it is exposed to. The brand image is developed in the mind of the public through their perception of the way the brand projects itself and the consumer's interpretation of the brand personality.

(Okonkwo 2007:110) Brand images should be positive and unique, because consumers are not only purchasing the product or service but also the image association with that product or service. (Management study guide)

The brand image consists of various attributes and benefits the consumer associates with a brand. There are three types of benefits, the functional benefit is what the brand does better than others, the emotional benefit is how the brand makes the consumer feel better than others and the rational benefit is why the brand is more credible than others. Brand attributes are consumers' overall assessment of a specific brand. Brand image cannot be created; it is automatically formed in the minds' of the consumers. Brand images can be strengthened using several promotional tools. (Management study guide) Consumers sometimes misinterpret or misunderstand the brand image, because of an unclear message portrayal on the part of the brand. Brands need to avoid this common error at all costs in order to keep their customers. (Okonkwo 2007:110-113)

## **2.5 Brand equity**

Brands represent consumers' perceptions and feelings about products and their performance, so the real value of a strong brand is its power to capture consumer loyalty and preference. (Kotler et al. 2005:555) Brand equity, which is a set of assets linked to a brand's name and symbol that adds value to the brand, needs to be created and managed in order for a brand to be successful. (Aaker 2010:7-8) Brand equity can also be described as the extent to which customers are willing to pay more for the brand beyond the functional utility provided by the good or service. (Kotler et al. 2005:556)

The major asset categories are brand name awareness, brand loyalty, perceived quality and brand associations. Brand equity is a set of assets, so the management of brand equity involves investment to create and enhance these assets. Each of these brand equity assets creates value in different ways. It is important to be sensitive to how strong brands create value, in order to manage brand equity effectively. Additionally, brand equity does not only create value for the customer, but also for the firm. (Aaker 2010:8) High brand equity provides a company with many competitive advantages. In order to preserve brand equity, marketers need to manage their brands carefully. (Kotler et al. 2005:556)



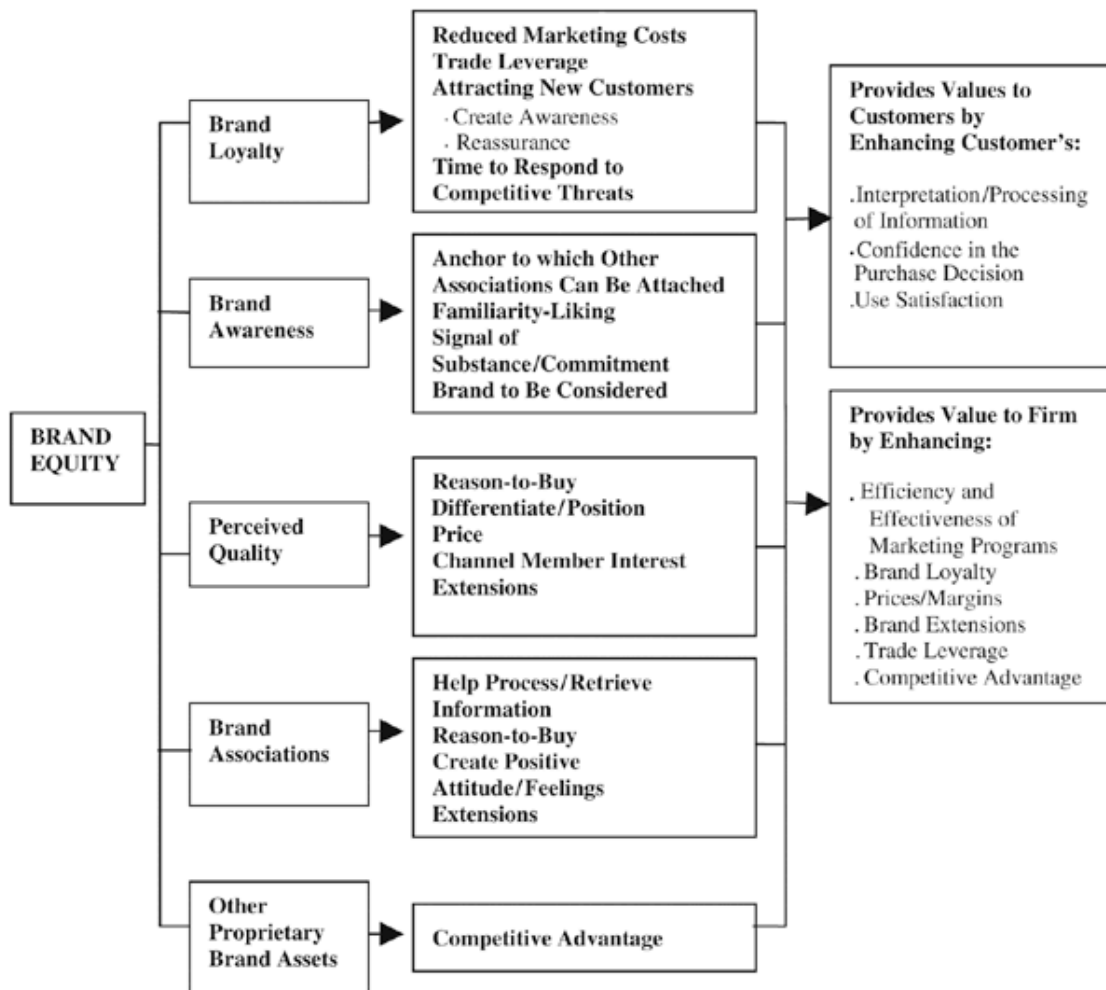


Figure 2. How Brand Equity Generates Value (Aaker 2010:9)

### 2.5.1 Brand awareness

There are different ways in which consumers remember a brand. These ways range from recognition; if you have seen the brand before, to recall; you remember the brand, to “top of mind”; the first brand that comes to mind, and finally to dominant; this is the only brand recalled. Brand equity can thus remarkably be enhanced by creating awareness for the brand. (Aaker 2010:10-17)

Awareness refers to the strength of a brand’s presence in the consumer’s mind. If consumers’ minds were full of mental billboards—each one depicting a single brand—then a brand’s awareness would be reflected in the size of its billboard. (Aaker 2010:10)

The importance of brand recall and recognition depends on the extent to which consumers make product-related decisions with the brand present or not. If the product deci-

sions are made in store, brand recognition is more important because the brand is physically present and the consumer then recognizes the brand. But if the product decisions are made outside the store and in other situations where the brand is not present, it is more important that the consumer can recall the brand from memory to remember and buy the product. (Keller 2003:68)

### **2.5.2 Perceived quality**

Perceived quality is a bottom-line measure of the impact of a brand identity, because it is at the heart of what customers are buying. It is usually impossible to achieve perceptions of quality unless the quality claim has substance. In order to generate high quality it requires an understanding of what quality means to various customer segments. It is however, only a partial victory to create a quality product or service, perceptions must be created as well. (Aaker 2010:19-20) Achieving a satisfactory level of perceived quality has become more difficult as product improvements have led to higher consumer expectations regarding the quality of products. Therefore much research has been done to understand how consumers form their opinions about perceived quality. (Keller 2003:238)

### **2.5.3 Brand loyalty**

A brand's value to a firm is largely created by the customer loyalty it commands. A loyal customer base is extremely important, because it can be expected to generate predictable streams of sales and ultimately profit. It is important not to neglect existing loyal customers, because it is less expensive to retain customers than to attract new ones. Focusing on loyalty segmentation provides strategic and tactical insights that will assist in building strong brands. (Aaker 2010:21-22)

Brand loyalty is clear evidence of the success and relevance of branding to both consumers and companies. For consumers, it reduces the search costs, and for companies it is the cornerstone of long-term profitability and competitive leverage. (Okonkwo 2007:118-119)

Brand loyalty can be a fragile thing because it is under increasing threat. The reason for this is partly due to the greater number of alternative brands available on the market and

promotions designed by competitors to undermine customer loyalty. That is why companies have to work harder to keep their existing loyal customers and identify the current customers that might switch brands and turn them into heavy users who are loyal to the brand. (Brassington & Pettitt 2003:195)

#### **2.5.4 Brand associations**

Brand equity is greatly supported by the associations that consumers make with a brand. If these associations are favorable, it leads to high consumer-based brand equity while low consumer-based brand equity is due to negative brand associations. (Okonkwo 2007:121) These associations might include a celebrity spokesperson, product attributes or a symbol. Brand associations are driven by the brand identity, which is what the company wants the brand to stand for in the customer's mind. Thus, the development and implementation of a brand identity, is a key to build strong brands. (Aaker 2010:25)

### **2.6 Brand value**

Brand value is the final result of the success or failure of a brand. It is the financial benefit that a company receives as a result of the strength of its brand. This financial benefit is represented in the company's balance sheet or financial report as part of its intangible assets. Due to this, a high brand value is sometimes the only reason that companies are valued at more than ten times the worth of their net assets. (Okonkwo 2007:124)

### **3 THE FALL OF ADVERTISING AND THE RISE OF PR**

Companies must not only offer good products and services to consumers, the companies' job is also to inform the consumers about product or service benefits and position these carefully in the consumer's minds. In order to do this successfully, companies need to use the mass-promotion tools such as advertising and public relations. (Kotler et al. 2005:762) When talking about marketing a brand, advertising is the first thing that comes to mind. Advertising agencies have been the ones to launch new brands with advertising campaigns. The question is, how well does advertising agencies build a brand? Is advertising credible enough, to be able to build new brands or is their new purpose actually to maintain the interest of a brand that has already been recognized by the consumers?

#### **3.1 Promotion**

Promotion involves communicating the message of a brand to consumers through various means of communication, including advertising, personal selling, sales promotion, public relations and several others. In designing these messages, it is crucial to define and target the right audience. (Okonkwo 2007:144-145) Marketers are shifting away from mass marketing and developing focused marketing programmes that build closer relationships with customers in more narrowly defined micro markets. However, companies are not giving up on mass-media marketing altogether, they are just seeking better value for their money. (Kotler et al. 2005:720-721)

##### **3.1.1 Advertising**

Advertising can be tracked back to the very beginning of our recorded history. However, advertising today is a far cry from what it was back then. (Kotler et al. 2005:762) Kotler et al. (2005) describes advertising as any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. (Kotler et al. 2005:719) The average European is daily bombarded with an ever-increasing number of different advertising messages in the mass media. The goal is to attract and hold attention so that the advertising has the opportunity to generate the desired effect. (Brassing-

ton & Pettitt 2003:603) The purpose of advertising is to stimulate a response from the target audience, either to get the customer to develop specific views or opinions about the product or brand or to get the customer to buy the product. (Kotler et al. 2005:762)

### **3.1.2 Public relations**

Public relations involve the planned and sustained effort to establish and maintain goodwill and mutual understanding between a company and its target audience. The aim of public relations is to influence and in some cases, change people's knowledge and feelings regarding a company and its offerings, including its identity and image. (Okonkwo 2007:154)

The major missions of the public relations departments are to create and place newsworthy information in the news media to attract attention to the product, to publicize specific products and to maintain relations. In order to fulfill their missions, PR professionals use several tools. The essential tool is news. PR professionals create or find favorable news about the company or its products, to attract attention. Different events are also organized by the PR firms to attract positive attention to their client company. (Kotler et al. 2005:793-795)

Publicity and public relations are not the same thing, publicity is simply one of the tools available for achieving the PR objective of creating and maintaining good relationships with various publics. Publicity focuses on generating media coverage at minimal cost to the organization and therefore happens when the media voluntarily talks about the organization. (Brassington & Pettitt 2003:800)

### **3.1.3 Social media**

In the past decade, social media has become an important part of companies' marketing strategy. Because public relations professionals were some of the first to embrace the power of social media, they are often the ones leading the way in the social media space. (Swallow 2010) "Social media marketing consists of the attempt to use social media to persuade consumers that one's company, products and/or services are worthwhile." (Ward 2012) Businesses have to be perceived as members of the social media community in order to use social media marketing effectively. Companies can benefit

from using the social media in numerous ways, the main goals being to build their customer base, manage the company's reputation and find out what their customers are thinking and saying about their brand and products. (Ward 2012)

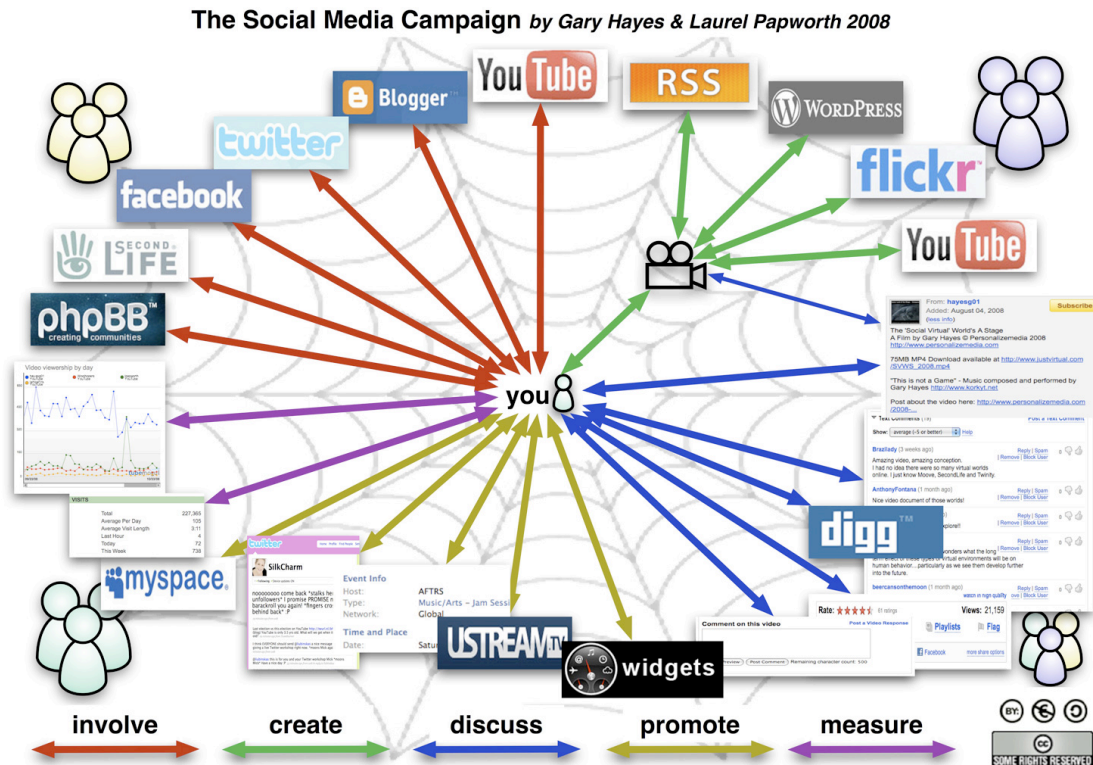


Figure 3. The social media network (Newman 2011)

In order to use the social media effectively you first need to involve your network, create some interesting content and discuss by listening and responding to your customers. You also need to promote your company to raise awareness and track and monitor your users to find out the most effective ways to increase the social media network and capture your market. (Newman 2011)

### 3.2 The fall of advertising

Advertising is the most common way to communicate the brand to the consumer and the mass-promotion tool companies spend most money on, but there are still some problems advertising faces. According to Al & Laura Ries (2002) advertising has lost its function

as a brand-building tool and lives on as an art. They argue that you cannot launch a new brand with advertising only, because it has no credibility. It is only the self-serving voice of a company anxious to make a sale. (Ries & Ries 2002:XI-XIV)

### **3.2.1 Credibility**

The weakest part of any advertising program is its credibility. The average person does not believe much in an advertising message, because it is perceived as a biased message paid for by a company with a selfish interest in what the consumer consumes. Excessive volumes and exaggerated claims are both contributing factors to the decline in advertising's effectiveness, but the fundamental issue is credibility. An advertising message is perceived to be selfish, biased, one-sided and company-oriented rather than consumer-oriented. (Ries & Ries 2002:5)

The rise of advertising volume has also resulted in a decline in advertising effectiveness. The more advertisements shown, the less effective each individual advertisement is. And as the volume of advertising has risen, so has also advertising costs. It has become more expensive to advertise a message that is becoming less and less efficient. We are surrounded by advertisements from the moment we wake up until we go to bed. We are exposed to so many different messages a day that we have trained ourselves to avoid them. As a result of advertisements' increased volume, advertising messages have become wallpaper. (Ries & Ries 2002:6-10)

### **3.2.2 Creativity**

In today's advertising world, the advertisements have to be more and more creative and different, yet often something old and similar works better. Advertising agencies today are all about being creative, even though it seems logic that the creativeness would rather belong to the product than in the advertisement. Instead of creating the perception that the brand's advertising was some sort of breakthrough advertising, the focus should be on showing that the brand was first in some new category. Advertising agencies assume that marketing is a battle of advertisements rather than a battle of products, by fo-

cusing on creativity. Creative advertising can lead to awards, but does it win sales? (Ries & Ries 2002:23-27)

### **3.2.3 Perceptions**

Perception represents the way in which individuals analyze, interpret and make sense of incoming information, and is affected by factors such as personality, experience and mood. Two people will not interpret the same message and even the same individual might perceive the stimulus differently at different times. (Brassington & Pettitt 2003:111) Marketing does not deal with products, it deals with perceptions. In order to run a successful advertising or PR program, you have to create so much more than talk value, you have to deal with the perceptions in the prospect's mind. When talking about building a successful brand, perception is everything. (Ries & Ries 2002:51-55)

### **3.2.4 Maintaining the brand**

Advertising does not build brands, it maintains the interest of a brand in the consumers' minds. Advertising's role is to continue to reinforce PR ideas and concepts. Advertising is the cheerleader that repeats words and ideas that already exist in the minds of the consumers. The objective of an advertising program is thus to bring these ideas and words to the surface and to make them resonate in the mind. Advertising cannot change minds, it cannot move brands from one position to another inside the mind or replace an existing brand in the mind with a new brand. Advertising can only deal with an already existing perception in the consumers' minds and deepen that perception. However, if skillfully handled that deepening strategy can give great results. (Ries & Ries 2002:197-204)

### **3.2.5 Evaluating advertising**

Both the communication impact and the sales effects of advertising should regularly be evaluated. A way to measure communication effects of an ad and get results whether it is communicating well is through copy testing. Before the ad is placed, the advertiser can show it to consumers and measure recall or attitude changes resulting from it. After the ad is run, the advertiser can then measure how the ad affected consumer recall or preference, knowledge and product awareness. (Kotler et al. 2005:777)



The communication effects are often easier to measure than the sales effects, because sales are affected by many factors besides advertising. Availability, price and product features are all factors that affect sales in one way or the other. Despite the difficulty of measuring advertising's effects on sales, they must be monitored. Sales effect on advertising can be measured by comparing past sales with past advertising expenditures. Another way is through various experiments. If, for example, the company would want to measure the effect of different spending levels, the company could vary the amount it spends on advertising in different market areas and then measure the differences in the sales levels. (Kotler et al. 2005:777-778)

### **3.3 The rise of PR**

The mass-promotion technique, public relations, can have a strong impact on public awareness at a much lower cost than advertising can. Still public relations is often described as a marketing stepchild, due to its scattered and limited use. However, this is about to change. Even though public relations still only captures a small portion of most companies' marketing budgets, PR is recognized as a more powerful brand-building tool. (Kotler et al. 2005:793-794)

#### **3.3.1 The power of a third party**

People often determine what is best by finding out what other people think is best, through third party sources as the media and word of mouth. Compared to the power of the media, advertising has almost no credibility. Advertising as a brand-building tool exists no more; instead it should be used as a brand-maintenance tool once the brand has been built by public relations. (Ries & Ries 2002:89-95)

A company's reputation, or the essence of how it is viewed by all of its publics, is the leading factor in its ability to achieve success. With this in mind, the battered image of the corporate world is no small matter. Restoring trust and helping companies to earn a reputation for credibility will require sound public relations leadership. (Morey)

Public relations helps the public understand a company and its products. PR allows you to tell your story in an authentic and throughout way. A big part of PR, is working to generate positive media coverage. Stories in the media are like third-party testimonials, which people are more likely to believe than advertisements. (Marshall) Through public relations, the company does not pay for the space or time in the media. If the company has something interesting to share, the news could be picked up by several different media, having the same result as advertising worth millions of dollars, but with more credibility. (Kotler et al. 2005:793)

### **3.3.2 Brand-building through PR**

In building brands, advertising no longer has a legitimate role to play, while media messages are becoming more important. The more messages about the brand, the more favorable the messages become, which results in a stronger brand. But if your product or service has no publicity potential it will be difficult to launch it with the help of public relations. The media is the battleground, if you cannot win the media battle; you wont win the marketing battle either. (Ries & Ries 2002:99-115) Advertising is great when it comes to reinforcing a brand, but when it comes to building brand affinity, PR is the most important player. PR gives a brand substance by telling its story and information that people will remember and relate to. (Marshall)

### **3.3.3 Disadvantages of PR**

PR has many advantages compared to advertising, but there are still some disadvantages of public relations over advertising. Uncontrollability is the most problematic disadvantage PR faces. Advertising gives the advertiser total control of how, when and what is being said, while the control of PR is totally in the hands of the media. PR cannot guarantee that the media will adopt the story in the wishful way and the outcome might be, at worst, no coverage at all or patchy coverage that wont reach the desired target publics. Another risk PR has to take is the possibility of distortion of the story. (Brassington & Pettitt 2003:802-803)

### **3.3.4 Measuring PR results**

It is difficult to measure public relations' results because PR is often used with other promotion tools, which makes its impact often indirect and difficult to measure. It would be ideal for the company to measure the change in product awareness, knowledge and attitude resulting from the publicity campaign. In order to do so, the company should measure these changes through before-and-after-the-campaign levels. The best measure of public relations effort is sales and profit impact, if obtainable. (Kotler et al. 2005:799) The effectiveness of public relations can still be measured in several other ways, including internal assessments, brand preference research and media coverage. (Okonkwo 2007:155)

## **3.4 The differences between advertising and PR**

In one of Aesop's fables, the wind and the sun had a dispute over who was the stronger of the two. Seeing a traveler walking down the road, they decided to settle the issue by trying to make the traveler take off his coat. The wind went first, but the harder the wind blew, the more closely the traveler wrapped his coat around him. Then the sun came out and began to shine. Soon the traveler felt the sun's warmth and took off his coat. The sun had won. (Ries & Ries 2002:239)

Advertising is the wind and PR is the sun. Advertising is perceived as an unwelcome intruder who needs to be resisted. The harder the sell, the harder the wind blows and the harder the prospect resists the sales message. PR, on the other hand, is not something you force into the prospect's mind. The prospects think of it more as the media being helpful by telling them about an interesting new product. (Ries & Ries 2002:239-240)

For companies with a tight branding budget, the best approach is using public relations to get the ball rolling. With PR, there are no media buys or large production costs to contend with and because editorial copy is far more believable than a controlled message, media coverage will generate a strong return on investment. (Marshall) In comparison to PR, advertising is much more expensive, still most companies are overspending on advertising and under spending on PR. Value and price are often firmly linked in the mind and companies think they get more, because it is more expensive, even though that might not be the case. Companies should rely more on PR to build their brand. (Ries & Ries 2002:253-254)

Another problem advertising faces is the fact that it is not credible. You can camouflage an advertisement with how much creativity you want, it still remains a message with little credibility. PR is such a powerful tool in the launching of a new brand, because people believe much easier things they hear in the media. (Ries & Ries 2002:263-264) Because advertising is paid for, publics have a certain cynicism about the bias within the message. PR, on the other hand, comes from a neutral third party and is therefore more credible. (Brassington & Pettitt 2003:802)

Publicity provides the credentials that create credibility in the advertising. Until a new brand has some credentials in your mind, you are going to ignore its advertising. (Ries & Ries 2002:XIX)

With advertising you have total control of the message you want to bring to the public, when with PR you have very little control of what is being said about your brand. This distinction is exactly what makes PR such a powerful tool when it comes to establishing credibility in the mind of the customer, because people are skeptical about subjective claims made in advertisements. (Marshall)

However, advertising is still highly important when maintaining the interest of a brand. Advertising has a brilliant future if it accepts its true role in the life cycle of a brand, maintaining that brand's existing position. People forget, so they need to be reminded constantly of the brand. (Ries & Ries 2002:265) It is though important to manage both public relations and advertising properly, if you are going to be successful in building a brand. You should never run advertising until the major publicity possibilities have been exploited, because advertising doesn't build brands, publicity does. (Ries & Ries 2002:XX) "PR first, advertising second. This is the key to success in today's marketing area." (Ries & Ries 2002:266)

## **4 HOW FINNISH DESIGN BRANDS USE PUBLIC RELATIONS IN BUILDING STRONG BRANDS**

The author decided to use the qualitative research method semi-structured interviews in this research, to find out how companies use PR to build their brands and to get information from PR firms about how to build these brands.

Qualitative research encompasses a variety of methods that can be applied in a flexible manner, to enable respondents to reflect upon and express their views or to observe their behaviour. It seeks to encapsulate the behaviour, experiences and feelings of respondents in their own terms and context. (Malhotra & Birks 2003:133)

In this case interviews seemed like the best method to collect detailed information about the companies in question. In qualitative interviewing the interviewee's point of view is of much greater interest. One of the mayor types of qualitative interviews is a semi-structured interview. In a semi-structured interview, the researcher has a list of questions to be covered, but the sequence of questions can vary. The interviewer can ask for further questions, and thus the interviewee may be interviewed on more than one occasion. (Bryman & Bell 2007:474) The companies that were interviewed are all mid-sized Finnish design companies that use some form of public relations. Interviews were conducted with the head designers of their brands Minna Hepburn and Hanna Sarén, as well as the sales and marketing manager Anna Hakkarainen, at Minna Parikka. In order to get another point of view regarding the subject, additionally one interview was held with the managing director Ulla-Maija Tamminen at Promode, a PR agency in Helsinki.

### **4.1 Minna**

Minna is a design label launched by Finnish designer Minna Hepburn in 2008. She started creating tops, inspired by her love for vintage clothing and they soon found their way into high-end boutiques. What started as a hobby and passion has now turned into a full-fledged business, with her clothes stocked around the world, features in the most important fashion magazines and the receiving of awards. Her label can best be described as Eco Luxe, because it is ethical and environmental friendly. (Minna 2011)

#### **4.1.1 The significance of PR for the company**

The writer performed an interview with the designer, Minna Hepburn herself the 3<sup>rd</sup> of March 2012. The brand Minna uses the PR agency Spalt PR in Finland and in England the designer herself pushes the brand to the media with the help of a freelancer. When asked for what purpose the company uses a PR agency, the designer responded that in Finland the main reason for using a PR firm is because they do not have many resellers, so it is important for the products to be in magazines to get customer awareness. The online-shop is something they want to grow and therefore attention in the media is extremely important. PR is also used in order for bloggers and celebrities to present the brand in different media. According to Hepburn, PR is extremely important in the UK and therefore crucial in order to make any sales. PR agencies have benefits for customers, because of their contacts with important people in the media and because it is simply easier for a company to hire a PR agency instead of doing everything yourself. Hepburn describes her brand as a very hand made, feminine and vintage inspired brand. She continues that PR definitively has helped to build and maintain this brand image. By using specific models and pictures of the brand in the right media, the company builds the desired brand image. (Minna Hepburn)

#### **4.1.2 Building brands with PR**

For the brand Minna, PR is extremely important and highly significant. Instead of focusing on the selling of her collection, she focused on PR when launching the brand.

If no one has heard of your brand, no one will buy from it. First you need the media's attention, and then the sales will go up. When thinking about entering new markets, PR is the first thing we focus on. (Minna Hepburn)

PR has therefore been an important factor in building the brand and making the perceptions customers have of the brand today. If you have not heard of the brand, you will not be interested in it either. Especially on the designer level, it is important to get the right kind of content from the media to build up the image in the customers' mind. Coverage in magazines about the story of the brand, who has made the products and where, builds the brand stronger. PR does not have a clear and instant impact on sales; it takes time to

get first the customers' attention and then interest to buy the products. There are only a few magazines that directly provide sales for the company, otherwise media coverage is mainly used for customer awareness. Blogs have also become an important way to promote the brand and achieve customer awareness and increase in sales due to the effectiveness and up-to-date information they can provide. (Minna Hepburn)

#### **4.1.3 Global markets**

The brand Minna does its most important sales through the online store, where the market is global. Items are mostly sold in Europe, Australia and in the US at some extent. At this moment resellers are found in Finland, Great Britain and Ireland. The Finnish PR agency only works to promote the brand in Finland and the PR professional only in the UK, so the company deals with the PR for the rest of the market, trying to get in the media around the world. Blogs also help to promote the brand globally. In different countries PR is done in a completely different ways, so every PR agency should only cover their own country's market. When asked if Hepburn thinks the brand would be less known without PR, she answered absolutely. In the fashion industry it is crucial to use PR as a marketing tool. Branding is the most important in this industry and you need to push the brand constantly in order for people not to lose their interest in it. (Minna Hepburn)

#### **4.1.4 Advertising's role in the company**

The brand Minna has never used advertising agencies in any way. This is the first time the company has had a chance to make a budget for PR. The freelancer in the UK, Spalt PR and bloggers, with whom the company make some kind of deal, gets some hundreds of Euros a month. Additionally other marketing costs take part of the few thousand Euro annual budget. According to Hepburn, you constantly have to keep track of the results, in order to evaluate if it is worth paying for or not. Hepburn herself is in charge of the PR in the company. It is her fulltime job to make sure the brand is visible in magazines and blogs, and new ideas constantly need to be thought of. (Minna Hepburn)

#### **4.1.5 The importance of PR in the future**

In the UK, Hepburn is absolutely content with her PR freelancer and overall in her opinion they understand what PR is and how it should be done there. In Finland and the whole of Scandinavia for that matter, Hepburn sees many improvements that could be made. The PR agencies in Finland should do more, be more proactive and informative. If e.g. a celebrity is wearing the brand, the company should be informed about it. Hepburn feels that she is sometimes just paying for the space in the PR agency's showroom, and not for duties that should come naturally from a PR firm. According to Hepburn, there are no improvements that need to be done in the UK concerning PR. There they understand the brutal fashion industry and understand when things need to be done instantly. In Finland on the other hand, PR professionals are missing the speed and the understanding of what the industry really is about. Overall, Hepburn is still satisfied with their PR agency, it is rather the whole system in Finland that does not work. In Hepburn's opinion the company is not even close to using PR to its full potential. The Internet is huge and there is a large quantity of blogs that could be helpful in building the brand. Unfortunately, in order to use PR more, bigger budgets are needed. In the future, PR will be extremely important for the company. The contacts PR agencies offer, help to get recognition of the brand and in the end to achieve customer awareness in this largely competitive business. In the last two months, Hepburn has had help with doing PR for the company and the results have been positive. More people are visiting the company's website and the sales are up. In the near future, the company is not investing in making new collections, what they will focus on instead is PR. (Minna Hepburn)

#### **4.2 Hanna Sarén**

Hanna Sarén is the Finnish husband-and-wife team consisting of Hanna Sarén and Jussi Tiilikka, who started their business in Japan in 2000 with a collection of clogs and handbags. Besides her own collection, Hanna Sarén has collaborated with the clothing brands Seppälä and Ril's. Hanna Sarén's custom made products are based on a unique blend of imagination, glamorous sophistication, and contemporary elegance. The brand has established a global reputation of delivering exciting and innovative products, emphasizing premium-quality materials and production techniques. (Norden 2012)



#### **4.2.1 Reasons for using PR**

The writer conducted an interview with the designer, Hanna Sarén herself the 26th of April 2012. Hanna Sarén uses the PR agency Spalt PR in Finland. The purpose of using PR for this brand is to promote their clothes. The collection is on display in the agency where then the press can borrow products for photo shoots. The benefit Sarén sees from using a PR agency is mostly the logistical aspect. It is easy for the press to borrow from the agency and the designer can focus on other important things. In the PR agency, the products are also nicely displayed, which helps to sell the product to the press. It is pleasant to visit the agency, because of the good atmosphere. The main reason the brand uses a PR agency, is because the agency has good relations to the press and they are therefore able to bring the brand forward. Hanna Sarén's brand image can be described as a designer brand that is worn by someone who is interested in the creative economy, design, fashion, contemporary style and someone who wants to send a message through his/her clothing. The products are made for people who want to feel good in what they are wearing, be a forerunner and wants to spend money on something that is durable and won't lose its value. The collections consist of shoes, bags, women's and men's wear and are made of the best quality materials from Italy. In the beginning the brand coped well without the help of PR. It was not until the brand was already launched in the UK, the US, Japan and Finland that the Finnish PR agencies started showing interest. Today the PR agency helps to build the brand by offering media coverage in important magazines. (Hanna Sarén)

#### **4.2.2 The importance of PR**

According to Sarén, PR is highly important for the visibility of the brand. Hanna Sarén also takes care of part of the public relations through the social media. The PR, which the company conducts, differs from the one that is done by the PR agency.

By doing PR through social media, we can choose how we want to be displayed in the media and tell our own stories, when the press often uses the products for their own stories. The ways of getting visibility to the brand are different, but yet both are important. (Hanna Sarén)

In building the brand Hanna Sarén, PR has played an important role. If the products would not be visible anywhere, it would be slightly harder to find them. Public relations is extremely important if you want to launch a brand in a new market. There are some concrete examples on public relations' impact on sales and customer awareness. When Sarah Jessica Parker wore Hanna Sarén's wooden shoes in the famous TV series, *Sex and the city*, the attention from the media and buyers were high, which followed in the consumers' interest for the brand. In Finland people do not spend as much money on fashion, so even though the product is visible in the media it does not mean that everyone suddenly wants to buy it. In practice, it will mean that more people know the brand and are able to talk about it, and sometimes it also ends with people buying the product. (Hanna Sarén)

#### **4.2.3 PR in the fashion industry**

The only Hanna Sarén shop is situated in Helsinki. Then there is the online shop and plans for opening a shop in New York. In the future also London and Saint Petersburg might be suitable places to open a Hanna Sarén shop. The brand has only one PR agency working for them, and that is the one in Finland. However, if the customer base grows in any other specific market, the need for a PR agency at that location will probably be required. In Sarén's opinion, there needs to be enough consumers at any specific location in order to start doing PR for the brand there. Sarén still thinks that the brand would be less known without the help of public relations. Additionally, she states that it is almost impossible to cope without PR in the fashion industry. In order to achieve more visibility and conquer larger markets, public relations is everything. (Hanna Sarén)

#### **4.2.4 Advertising as a marketing tool**

The brand does not use advertising agencies; according to Sarén it is the advertising agencies that use the brand for their own purposes. Advertising agencies ask if they can use products in their own campaigns for other brands in different industries. Sarén does not think that advertising has lost its function as a marketing tool, it is rather a question of funding. If you can afford to use it, why not, but a small company like Hanna Sarén

cannot afford to spend that much on advertising. Sarén adds that in today's marketplace any form of public relations is still more efficient than advertising. The yearly budget for PR is around 5000 Euro, and includes shootings with photographers and models, the maintenance of the social media and the price of the PR agency's services. There is not only one person in charge of public relations within the company, the whole creative team helps out. (Hanna Sarén)

#### **4.2.5 Using PR to its full potential**

Sarén is satisfied with the work of their PR agency, Spalt PR. They have a good atmosphere, knowledge and vision, which have worked well together with the brand and Sarén therefore sees nothing to be improved upon. Sarén is happy with the agency, because they push the brand forward in different events when the possibility arises even though it is something that they would not have to do. She thinks that the company uses public relations to its full potential through both the PR agency and their own work achieving visibility and awareness. When Sarén was asked the question how important public relations will be for the company in the future, she stated that it is becoming increasingly important. The social media is constantly expanding, so it is important to be a part of it as it grows. If public relations is important at this point, it will be even more important in the future. (Hanna Sarén)

### **4.3 Minna Parikka**

Minna Parikka is a Finnish shoe design brand launched by Minna Parikka in 2005. She thinks it is strange that men dominate the world of women's shoe design, and she is on a mission to change it. A lifelong shoe-lover herself, Minna Parikka creates designs that combine elements of surrealism, playfulness and contemporary design in all colors imaginable. (Minna Parikka 2012)

#### **4.3.1 Benefits from using public relations**

The writer conducted an interview with the sales and marketing manager Anna Hakkarainen the 18th of April 2012. The brand Minna Parikka uses PR agencies in Paris and in Helsinki. Minna Parikka uses a PR agency mostly because of the show-

room, from where it is easy for journalists to borrow samples from their newest collection. Hakkarainen sees several benefits from having your products available in a PR agency. There are many journalists that visit the place regularly and it is also important to have your products on display somewhere for these journalists to spot your products. If they would not have the PR agency in Paris, it would be difficult for the French press to reach the products as well as the brand. In Finland the products are constantly borrowed, and it is good that the company does not have to take care of this themselves but can instead use that time for other purposes. The brand image is feminine, playful, bold, colorful, positive and strong. The products are designed for women who has the courage to play with their style and do not take fashion too seriously. Public relations is a necessity that needs to be practiced in order to build and maintain the image of the company as a believable design brand in the minds' of the consumers. (Anna Hakkarainen)

#### **4.3.2 PR's impact on sales and brand awareness**

Public relations play an important role for the brand Minna Parikka. PR is a reference when retailers evaluate interest in the brand. Retailers are able to witness the media coverage, which can lead to them being more confident to buy the products. PR can also through visibility in magazines affect consumers' interest and eventually lead to growth in sales. In this way PR helps to build the brand. Also retailers are affected by what is being seen in magazines and other medias, so it is safe to say that PR has an impact on sales and customer awareness. According to Hakkarainen, the brand Minna Parikka has become bigger, more known and more credible, in which public relations has played an important role. (Anna Hakkarainen)

#### **4.3.3 Covering your market with PR**

Minna Parikka shoes are available in the shop in Helsinki, in 20 other countries around the world and in the online shop. By having this large market it is slightly difficult to cover the whole market with PR. Besides Finland, where the Finnish PR agency takes care of the public relations, the French PR firm takes care of getting visibility in the press in France as well as in Asia and the US.

Without PR agencies the brand would definitively be less known, or at least it would have required much more work from our side. When you join an established PR firm, which already have known brands as their customers, it is good to be part of that to achieve credibility for your own brand. (Anna Hakkarainen)

Hakkarainen would say that PR is crucial especially in the fashion industry. It has a big significance in which magazine your brand shows and who wears your clothes, it is part of the attractiveness of the brand. (Anna Hakkarainen)

#### **4.3.4 Advertising's role in the marketing strategy**

Minna Parikka does not use any advertising, and the main reason for that are the high costs. The brand only collaborates with advertising agencies from time to time. Advertising is only used in the form of free advertising. Otherwise PR is mainly used to promote the brand, because it is the most effective and believable form of publicity and the brand sees a greater importance of investing in public relations rather than one page of advertisement. Advertising is not as efficient, because there need to be massive campaigns that are repeated and it is far too expensive for the brand at this point. According to Hakkarainen, public relations is a much better option for Minna Parikka to invest in due to the long-term commitment. You start by building relationships with journalists and stylists and eventually they will start to borrow products for their photo shoots and articles.

In the beginning you need to invest in PR without knowing how well it will work. For us it first went slowly, but then after a while the PR circle accelerated and we started getting significantly more media coverage than before. (Anna Hakkarainen)

Social media is additionally a form of free publicity that is frequently used by the company. It is important for the pictures of the products to be of high quality, but in order to get them to the public, free publicity channels are used. Hakkarainen did not wish to share the company's yearly PR budget. Apart from the PR firm, the designer Minna Parikka herself along with Hakkarainen and a colleague, take care of PR for the company. The PR agency takes care of the showroom, and help journalists and stylists who come there find to the right products. When journalists contact the brand, Hakkarainen

handles the relationship with them. Another colleague and Minna Parikka herself are in charge of sponsorships and being in contact with celebrities. The designer also handles PR by going to parties and meeting people, which is all a part of the company's public relations strategy. (Anna Hakkarainen)

#### **4.3.5 The significance of PR in the future**

The company is satisfied with the work of both their PR firms. It takes time to receive a trusting bond between the company and the PR agency, especially when the PR agencies are paid a fixed sum no matter how many publications are done about the brand. Now the relationship between the brand and the PR firm in Helsinki as well as the one in Paris, are really good. With the agency in Paris, all kinds of events are organized, which adds value to their work. When asked if there is something that could be improved by their PR agencies, Hakkarainen responded that there is always initiative that the agencies could take more of. Of course the agencies have many different brands to take care of and Minna Parikka pays a specific sum, so there are things you cannot demand. But Hakkarainen would prefer if the PR agency would have more ideas on how to get visibility for the brand, without having to ask for it. There are always some things that could be improved, but overall the company is aiming to use public relations to its full potential, by also being active in the social media. According to Hakkarainen, PR is as important in the future. It works so well that it would be impossible to let go of public relations now. In the beginning they had their doubts due to the high costs and little results, but now it works too well to rule it out. (Anna Hakkarainen)

#### **4.4 Promode**

Promode is a PR and communication agency specialized in generating media coverage for different lifestyle products and services. The writer chose to interview a PR professional as well, in order to get another point of view and therefore more trustworthy results. (Promode 2012)

#### **4.4.1 Reasons for why companies use PR**

The writer performed an interview with the managing director of the PR firm Promode, Ulla-Maija Tamminen, the 10<sup>th</sup> of April 2012 at their office in Helsinki. The first thing the author wanted to find out was for what purpose companies use PR. According to Tamminen, the value of PR has finally been noticed and people are starting to realize that PR is much more cost efficient than advertising. In addition PR is an excellent way to get customer awareness of your company's own products. There are additionally various benefits from using PR as a marketing tool.

When advertising is media coverage that is paid for, PR is earned media coverage. Because of this, PR is also much more effective than advertising. (Ulla-Maija Tamminen)

People tend to browse through pages in magazines consisting of advertising, while other product-based articles are much more read. When asked if Tamminen thinks it is crucial to use PR to build a strong brand, the answer was yes. In marketing a product or service all marketing tools need to be used. In achieving visibility and recognition for the brand, social media, advertising and PR are all important. At Promode they create brand awareness through visibility in the right medias, which are important for the clients regarding their target group. The agency strives to achieve visibility for their client's product or service both in the social media and the traditional media. (Ulla-Maija Tamminen)

#### **4.4.2 PR's role in building strong brands**

When asked if the PR agency has any proof of the impact PR has on sales and customer awareness, Tamminen answered that the agency uses the media coverage service Cision, which informs them of all the media coverage of Promode's customers. These magazine clips are made into a book, where the customers can see how much and what kind of media coverage their brand has gotten. In Tamminen's opinion PR absolutely builds strong brands, but it is a long process to build a brand and also strong brands need PR to stay strong. PR has an important role in both building and maintaining brands. To help a company build their brand and create brand equity, Promode discusses with the customer and finds out what they want for their brand and then the PR

agency ponder upon means to get there. The average client's budget ranges from 15.000 and 40.000 Euro a year. (Ulla-Maija Tamminen)

#### **4.4.3 Caring for your company's image**

Every year the client companies fill out a client satisfactory survey where the agency can see how satisfied their client is with their work, and this gives them the opportunity to develop in their work and to provide their clients with better service. Tamminen does not think the way PR is done in Finland could be improved so much. There are big differences in how PR is done in the UK, France and Finland for example, so PR should be more localized for it to work properly. We know what works in our country's culture and what does not. PR is important also in the fashion industry, and it is even hard to avoid it. Magazines have become more entertainment orientated and fashion is something that is widely written about. Especially the social media will in Tamminen's opinion be highly significant for companies in the future. People can take a stand for things everywhere and reach anyone. The companies have to take good care of their image, because if the company does not take care of it, someone else will. When comparing advertising agencies to PR agencies, it is clear that advertising agencies are doing worse than before. The digital and PR parts of companies' marketing strategies are increasing. Many companies use PR to get the visibility they wish for and it is not until then they start to use advertising as well. Therefore, to build a successful marketing strategy you need PR as well as advertising. In what proportion depends on how known the brand is and what the goals are to achieve brand awareness. (Ulla-Maija Tamminen)



## **5 DISCUSSION**

The purpose of the study was to observe how companies use PR to build their brand and how important PR is in doing so, as well as how well companies are implementing PR in their marketing strategy. The writer performed interviews with three different Finnish design companies in order to receive the wanted results. A PR professional was additionally interviewed to give the results more credibility and to offer a different point of view. In this part of the study, the obtained results will be discussed and explained.

### **5.1 Reasons for using PR firms**

According to Aaker (2010) brand equity, which is a set of assets linked to a brand's name that adds value to the brand, needs to be created and managed in order for a brand to be successful. One of these assets is brand awareness. All three companies use public relations to achieve awareness for their brand. Hanna Sarén uses only one PR firm in Finland, while Minna and Minna Parikka both use PR professionals in Finland as well as abroad. All companies use PR agencies for the same reasons. The most important reasons are because the PR professionals can promote the products effectively in their showroom to attract the press and get media attention, which then eventually creates brand awareness.

Kotler et al. (2005) earlier defined the importance of PR, stating that it can have a strong impact on public awareness at a much lower cost than advertising can. Public relations is often described as a marketing stepchild, due to its scattered and limited use. This is however about to change, PR today is recognized as a more powerful brand-building tool. Tamminen, the managing director of the PR firm Promode, backs up this statement by stating that the value of PR finally has been noticed and companies are now starting to realize that PR is much more cost efficient than advertising. PR agencies have many benefits for their customers, because of their good relations with important people in the media and their ability to bring the brand forward. Hakkarainen adds the time saving aspect to the benefits. When hiring a PR firm the company can then use that time to do other important things for the company. All three companies additionally agree that an important benefit of hiring a PR agency is solely the simplicity of using PR profession-

als instead of doing everything yourself. The writer feels that all three companies use public relations for the right reasons and that they understand how to get the most out of the PR professionals to promote their brands in the best way possible.

## **5.2 Building brands with public relations**

According to all three companies, PR is extremely important for their brands. If you have not heard of the brand, you will not be interested in it either, Hepburn explains. Sarén and Hakkarainen also highlight the importance of visibility for the brand. Ries & Ries (2002) pointed out the importance of perceptions in brand building. When talking about building a successful brand, perception is everything. By making the perceptions and building up the image customers have of the brand, PR has been an important factor in building all three brands. As stated earlier by the Management study guide, brand images should be positive and unique, because consumers are not only purchasing the product or service but also the image association with that product or service.

PR does not have an instant impact on sales, the brand first needs to get the consumers' attention. At Promode they create brand awareness through visibility in the right medias. All companies agree that PR has an impact on sales and customer awareness, but Sarén points out that even though attention in the media helps to achieve customer awareness it does not mean that everyone wants to buy the products instantly. The most important thing is that people know the brand and are able to talk about it, and PR enables this.

As stated by Marshall, PR is the most important factor when it comes to building brand affinity. PR gives a brand substance by telling its story and information that people will remember and relate to. The companies all acknowledge the importance of PR in building their brands and this has helped them to put PR in an important role when deciding on a marketing strategy. According to Hakkarainen, PR is a necessity that needs to be practiced to build and maintain the company's image in the minds' of the consumers. Tamminen agrees with the three companies that PR is crucial to build a strong brand. But it is a long process to build a brand and it won't happen over night. The social media is also an important factor in promoting the brands and achieving brand awareness for

all three companies. Ward (2012) earlier stated the numerous benefits companies can benefit from using the social media, for instance to build their customer base and to find out what their customers are thinking about the company.

### **5.3 Global markets**

Minna, Hanna Sarén and Minna Parikka all have online shops, which are important for reaching customers globally. For the brand Minna, the online shop is the most important way to reach customers, because they only have retailers in Great Britain and Ireland. For Minna the writer sees the opportunity to get more retailers and open a shop in Finland for instance. At this time Hanna Sarén only has one shop, which is located in Finland, but there are plans to open more. The brand should consider hiring a PR agency in one of the markets they are about to enter. It is important for people to be aware of the brand before opening a shop in a new market. Minna Parikka is a brand that is slightly ahead of the other two brands, by already having retailers in 20 countries around the world. Minna Parikka should in the writer's opinion consider hiring a new PR agency in one of the big markets they are in, like the UK for instance, to get more media coverage and customer awareness in the area. At this point the PR agencies only cover a small part of the whole market the companies are in, so the companies themselves try to cover the rest of the market the best they can.

According to Kotler et al. (2005) public relations professionals create or find favorable news about the company or its products, to attract attention. All three interviewees state the significance of PR by having the opinions that their brand would be less known without public relations. Morey also earlier states that the leading factor in a company's ability to achieve success, is the company's reputation and how it is viewed by all of its publics. All three companies agree that PR is crucial in order to cope in the fashion industry today, where you constantly need to push the brand to keep the consumers' interest and achieve more visibility to maintain the attractiveness of the brand. Tamminen agrees that PR is important in the fashion industry and that it would even be hard to avoid it if you wanted to. Fashion is something that is widely written about in magazines and blogs.

## 5.4 Advertising's role in the company

According to Ries & Ries (2002) advertising has no longer a legitimate role to play in building brands, while media messages are becoming more important. The more messages about the brand, the more favorable the messages become, which results in a stronger brand. None of these three brands use advertising agencies to promote their brands, which are good decisions for companies with yet small marketing budgets to spend. Both Hanna Sarén and Minna Parikka collaborate with advertising agencies from time to time, which result in free advertising. In the writer's opinion the brand Minna should follow the two slightly bigger brands and also explore the free advertising possibilities. In Sarén's opinion advertising has not lost its function as a brand building tool completely, the company just need to be able to afford it. Sarén still continues that PR is a more efficient way of building your brand than advertising. Hakkarainen agrees that PR is a more effective and believable way of building your brand, as well as cost efficient. Tamminen adds that advertising is media coverage that is paid for while PR is earned media coverage, which makes PR much more effective and reliable than advertising. She thinks it is clear that advertising agencies are doing worse than before, because the digital and PR part of marketing is increasing. However, Tamminen still continues that advertising is also an important part of marketing your brand. In marketing your brand all tools need to be used, it is important to receive visibility and recognition through social media, PR as well as advertising. Ries & Ries (2002) back up this theory by stating earlier that even though advertising doesn't build brands, it is still needed to maintain the interest of a brand in the consumers' minds. Advertising's role is to continue to reinforce PR ideas and concepts.

Hakkarainen did not wish to share Minna Parikka's yearly PR budget, but for Minna the yearly budget is a few thousand Euro and for Hanna Sarén around 5.000 Euro. According to Tamminen the average client's yearly budget at the PR firm ranges from 15.000 to 40.000 Euro, which is considerably higher than the PR budgets for these midsized case companies. All interviewees take part in being in charge of public relations within the company.

## **5.5 Using PR to its full potential now and in the future**

All three companies are satisfied with the work of their PR agency in Finland. In the PR agency Promode, the clients take part in a client satisfactory survey every year to give the PR firm the opportunity to make improvements if necessary. While Sarén sees no improvements that needs to be made, Hepburn and Hakkarainen both wish that the PR firm would be more proactive, informative, take more initiative and be more aware that some things need to be done instantly in the brutal fashion industry. Tamminen believes that PR is done very differently in Finland and should therefore not be compared to some other large markets. In order for PR to work well, it should be more localized. What works in a different culture may not work in Finland. Sarén and Hakkarainen believe their company is using PR to its full potential. Hepburn is looking at it from a more realistic point of view when stating that the Internet is huge and there are countless social medias that could help building the brand. All three interviewees could not imagine a future for the company without PR. And in Tamminen's opinion especially the social media will be highly important for companies in the future.

## **5.6 Concluding the discussion**

Concluding the empirical study the writer feels that all companies, Minna, Hanna Sarén and Minna Parikka, are using public relations well and effectively to build their brands. Hepburn, the designer at Minna, understands the importance of PR for the company, especially in the fashion industry. For a yet quite small and new company in the market, with a small budget, she manages to use PR with great results. Sarén is also well aware of how to use public relations to build your brand and knows how to market your brand with public relations without the help of PR agencies. Sarén sees PR agencies as more of a showroom provider than brand concept builder. In the past the company has managed to build their brand effectively and are now using the help of a PR firm to build the brand stronger. Still the company knows how they want to be perceived in the customers' minds and have the ability to manage that perception skillfully. According to Hakkarainen PR is a marketing tool that is highly important for the company and the brand uses it successfully. All three brands have built their brand identity on the women behind the brands, which is an excellent way to build genuine brand concepts with real

personality and uniqueness behind them. All designers are strong women with clear visions of how they want their brand to be perceived and they are aware of the hard work it takes to build a brand that stays in the mind of the consumer.

## **6 CONCLUSION**

The aim of this thesis work was to explore the meaning of public relations when building a brand and to find out how well companies are implementing PR in their marketing strategy.

The literature review consists of two parts. The first part shows what it means to build strong brands and how to do so. The second part is about how PR has gotten a more significant role in building brands and shows that even though advertising is still the major marketing tool, companies are starting to become more interested in other more affordable ways to market their brand. The most significant outcome of the literature review is that brand equity can remarkably enhance by creating brand awareness. In other words the feelings and perceptions customers have towards a brand is mainly created by offering awareness of the brand, which is one of the most important roles of public relations.

In the empirical part qualitative methods in form of interviews were conducted in order to gather the information needed. The author interviewed three mid-sized design companies that all use public relations for building their brand. All three companies view public relations as an important factor in building their brands and acknowledge the power PR has on customer awareness. The author feels that these three companies manage their brands well and understand the importance of PR, especially for companies with rather small budgets. The author also feels that the research questions, i.e. “What is public relations’ role in building strong brands?” and “How well are companies implementing PR in their marketing strategy?” were successfully answered. Overall the author was content with the results and thought they confirmed what was written in the literature review.

For companies who want to get more knowledge of how public relations could benefit their company, a brand concept should be established and thereafter PR agencies should be contacted to find out more about their strategies and ways to strengthen that brand

concept and build the brand in the consumers' minds. In the future the author hopes that more companies will take interest in public relations and discover the effectiveness PR has on customer awareness and sales. It is not only the companies' mission to strengthen the role PR has for companies, PR firms has an important part in doing so as well.

Recommendations for further research would be to find out how efficient PR is, by investigating customer awareness before and after a public relations strategy is implemented in a company. Another matter that would be interesting to investigate further is to find out if the brand images created by companies match the perceptions customers have of the company, and thus find out how well PR has helped to build a brand in the minds' of the consumers. How public relations in Finland differ from how PR is done in other countries is also a matter that would be fascinating to research further.

## REFERENCES

Aaker, David A., 2010. *Building strong brands*. London: Pocket Books.

Brassington, Frances and Pettitt, Stephen, 2003. *Principles of Marketing*. Third edition. Essex: Pearson Education Limited.

Bryman, Alan and Bell, Emma, 2007. *Business research methods*. Second edition. New York: Oxford University Press.

Business Dictionary. *Brand personality*. Accessed 6.4.2012.

<http://www.businessdictionary.com/definition/brand-personality.html>

Keller, Kevin Lane, 2003. *Strategic brand management*. Second edition. New Jersey: Pearson Education International.

Kotler, P. Saunders, J. Wong, V. and Armstrong, G., 2005. *Principles of Marketing*. Fourth European Edition. Essex: Pearson Education Limited. 954 pages.

Malhotra, Naresh K. and Birks, David F., 2003. *Marketing research: An Applied Approach*. Third edition. Essex: Pearson Education Limited.

Management Study Guide. *Brand image*. Accessed: 25.8.2012.

<http://www.managementstudyguide.com/brand-image.htm>

Marshall, Nancy. *How to build a stronger brand image through public relations*. Accessed: 25.8.2012.

<http://www.evancarmichael.com/Public-Relations/225/How-to-Build-a-Stronger-Brand-Image-through-Public-Relations.html>

Meerman Scott, D., 2007. *The New Rules of Marketing and PR*. New Jersey: John Wiley & Sons.



Minna, 2011. *Our story*. Accessed: 29.3.2012.

<http://www.minna.co.uk/our-story>

Minna Parikka, 2012. *The brand*. Accessed: 28.6.2012.

<http://www.minnaparikka.com/the-brand>

Morey, G., The Role of Public Relations in Marketing a Consumer Brand. *Advertising & Marketing Review*. Accessed 3.2.2012.

[http://www.ad-mkt-review.com/public\\_html/docs/fs050.html](http://www.ad-mkt-review.com/public_html/docs/fs050.html)

Newman, George Nicholas, 2011. *Social media marketing: Why is social media one of the most important marketing tools?* Accessed: 1.9.2012

<http://www.quora.com/Social-Media-Marketing/Why-is-social-media-one-of-the-most-important-marketing-tools>

Norden, 2012. *Fashion shows*. Accessed: 10.6.2012.

[http://norden.norge.lv/en/nordic\\_look/riga\\_2008/mode/dfgdfg](http://norden.norge.lv/en/nordic_look/riga_2008/mode/dfgdfg)

Okonkwo, Uche, 2007. *Luxury Fashion Branding*. New York: Palgrave Macmillan. 332 pages.

Parkinson, M. and Ekachai, D. 2006. *International and intercultural public relations*. Boston: Pearson Education.

Promode, 2012. *Company*. Accessed: 15.4.2012.

<http://www.promode.fi/EN/company.html>

Ries, Al and Ries, Laura., 2002. *The fall of advertising and the rise of PR*. New York: HarperCollins.

Swallow, Erica, 2010. *The Future of Public Relations and Social Media*. Accessed 29.7.2012.

<http://mashable.com/2010/08/16/pr-social-media-future/>

Tutor2u, 2012. *Brands - building a brand*. Accessed 29.3.2012.  
[http://tutor2u.net/business/marketing/brands\\_building\\_brands.asp](http://tutor2u.net/business/marketing/brands_building_brands.asp)

Ward, Susan, 2012. *Social media marketing*. Accessed: 29.7.2012.  
<http://sbinfocanada.about.com/od/socialmedia/g/socmedmarketing.htm>

WiseGeek, 2012. *What is Public Relations?* Accessed 29.3.2012.  
<http://www.wisegeek.com/what-is-public-relations.htm>

#### Interviews:

Interview with Minna Hepburn, 3.3.2012, Helsinki, Minna.

Interview with Ulla-Maija Tamminen, 10.4.2012, Helsinki, Promode.

Interview with Anna Hakkarainen, 18.4.2012, Helsinki, Minna Parikka.

Interview with Hanna Sarén, 26.4.2012, Helsinki, Hanna Sarén.

## **APPENDICES**

### **Appendix 1 The list of interview questions for the representatives of the different Finnish design companies.**

1. Does your company use PR agencies?
2. For what purpose does your company use PR agencies/a PR agency?
3. What benefits do you see from using public relations?
4. How would you describe your company's brand image? (Who are you?)
5. Has PR helped to establish this brand image?
  
6. What significance does PR have to your company? How important is it?
7. Has PR helped to build your brand and if so, how?
8. Do you have any "proof" of the impact PR has on sales and customer awareness of the brand?
  
9. In which countries do you sell your products?
10. Does the PR agency/agencies cover the whole market you are in?
11. Do you believe your brand would be less known without PR?
12. Do you think it is crucial for a brand in the fashion industry to use PR as a marketing tool?
  
13. Have you ever used any advertising agencies and if so, for what purpose?
14. If you use advertising agencies, what is your advertising budget? (Answer if you wish)
15. Do you think that advertising has lost its function as a brand-building tool?
16. What is your PR budget? (Answer if you wish)
17. Do you have anyone in your company that is in charge of public relations?

18. Are you satisfied with the work of your PR agency/agencies?
19. Is there something that could be improved?
20. Do you feel that you are using PR to its full potential?
21. How important is PR for your company in the future?

## **Appendix 2 The list of interview questions for the representative of the PR agency.**

1. For what purpose do companies use PR?
2. What benefits are there in using PR as a marketing tool?
3. Is PR crucial in order to build a strong brand?
4. How do you create brand awareness?
  
5. Do you have any proof of the impact PR has on sales and customers awareness?
6. Does PR build brands? If so, how?
7. Do you help establish your customer companies' brand concepts?
8. What is your average client's yearly budget?
  
9. Do you think your customers are satisfied with your work?
10. Is there something that could be improved in the way PR is done, in Finland especially?
11. Is it crucial to use PR in order to succeed in the fashion industry?
12. How important is PR for companies in the future?
13. What will advertising's significance be in the future?